

**CALHOUN FALLS MUNICIPAL COURT
CALHOUN FALLS, SOUTH CAROLINA**

**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON
PROCEDURES**

FOR THE YEAR ENDED JUNE 30, 2016

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January 8, 2019

The Honorable Dennis C. Bannister, Jr., Chief Judge
Stephanie Copeland, Clerk of Court
Town of Calhoun Falls Municipal Court
Calhoun Falls, South Carolina

This report resulting from the application of agreed-upon procedures to the financial activity of the Town of Calhoun Falls Municipal Court System as of and for the year ended June 30, 2016, was issued by Steven L. Blake, CPA, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA
State Auditor

GLKIII/sag

STEVEN L. BLAKE, CPA

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

January 8, 2019

Mr. George L. Kennedy, III, CPA
State Auditor
State of South Carolina
Columbia, South Carolina

The Honorable Dennis C. Bannister, Jr. Chief Judge
Stephanie Copeland, Clerk of Court
Calhoun Falls Municipal Court
Calhoun Falls, South Carolina

I have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and Town of Calhoun Falls, on the systems, processes, and behaviors related to court fines and fees of the Town of Calhoun Falls for the period July 1, 2015 through June 30, 2016, in the areas addressed. The Town of Calhoun Falls and the Calhoun Falls Municipal Court are responsible for the systems, processes, and behaviors related to court fines and fees. The sufficiency of these procedures is solely the responsibility of the South Carolina Office of the State Auditor and the Town of Calhoun Falls and the Calhoun Falls Municipal Court. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- I gained an understanding of the policies and procedures established by the Clerk of Court to confirm timely reporting by the Clerk of Court's Office.
- I obtained the court dockets or equivalents from the Clerk of Court. I judgmentally selected 24 cases from the court dockets and I confirmed the fine assessed adhered to State law. I also recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly calculated and allocated in accordance with applicable State law and the South Carolina Court administration fee memoranda.
- I inspected the court receipt transactions for the above cases to confirm that the fine, fee, assessment and surcharges assessed adhered to State law and the South Carolina Court administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

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Findings

Adherence to Fine Guidelines

The Court did not sentence one defendant in accordance with State law for Speeding < 10 MPH Over the Limit. The judge fined the defendant \$50. The required fine was \$15-25 plus assessments. The Clerk stated that the fine listed on the ticket was used instead of the required maximum. This is a repeat finding. See "Status of Prior Findings" below.

Court Records Retention

- I obtained 23 of 24 court record ticket copies and one violators' copy. The court record copy is the copy which has the judge's signature regarding disposition associated with the ticket. The court should maintain all court record copies.
- Also, I obtained copies of the court receipts from the court receipt book. These receipt book's receipts were traceable into the manual court records used to prepare the State Treasurer's Revenue Remittance Form **[STRRF]** for submission. However, there were many other receipts included in those records as well that were not in the receipt book I obtained. Because the receipts I obtained were sequential, it appears that there was another receipt book in use which I did not obtain copies of. Of the receipts I obtained, I was unable to locate two receipt payments on any manual documents or STRRF submission, therefore, I obtained evidence that the STRRF submissions were incomplete.
- I was unable to obtain copies of every court fines bank account in use during the procedures period as well. Therefore, I was unable to trace all fine payments submitted into a bank deposit. I was also unable to confirm that all deposits were included in the STRRF submissions.
- One month had spreadsheet errors which caused the STRRF to be overreported. See Over/under Reported Amounts finding below.

The current clerk stated that employee turnover in both the Clerk of Court position and the Town Treasurer position had made record retention an issue. The current clerk had given me all the information she could obtain. The Town had changed banks in March of 2016, but it appeared that the Town continued to use both court fine

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bank accounts indiscriminately. The previous Clerk of Court resigned in November 2015 and the current Clerk of Court did not begin working until June 2016.

2. Municipal Treasurer

- I gained an understanding of the policies and procedures established by the Municipal Treasurer.
- I inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- I agreed the amounts reported on the monthly remittance forms or equivalents to the Municipality's support.
- I inspected the Municipality's support to confirm that the Municipality properly classified fine, fee, assessment, and surcharge receipts.
- I inspected all State Treasurer's Revenue Remittance Forms (STRRF) for the period July 1, 2015 through June 30, 2016 and agreed the amounts reported on the STRRF to the court remittance forms or equivalents.
- I agreed the amounts reported by the Municipality on its Supplemental Schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2015 through June 30, 2016, to the Municipality's general ledger.
- I inspected the Municipality's Supplemental Schedule of fines and assessments, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

Findings

Supplemental Schedule

- The information in the Supplemental Schedule for Victims Assistance did not agree with bank account activity for the period. However, the ending balance agreed. I was unable to obtain a general ledger or complete deposit/receipt records so I could not confirm the other activity agreed to the Town records.

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The auditors' opinion was not an in-relation-to opinion on the Supplemental Schedule.

3. Victim Assistance

- I gained an understanding of the policies and procedures established by the Municipality to confirm proper accounting for victim assistance funds.
- I made inquiries and confirmed that any funds retained by the Municipality for victim assistance were deposited into a separate account.
- I selected all expenditures to confirm that the Municipality expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.
- I inspected the Municipality's victim assistance financial activity on the Supplemental Schedule of fines and assessments, as reported in the annual financial statement audit, and confirmed that it adhered to and included items required by State law.
- I agreed the amounts reported by the Municipality on its Supplemental Schedule of fines and assessments, as reported in the annual financial statement audit, applicable to the Victim Assistance Fund, to the Municipality's general ledger or subsidiary ledgers or equivalent.
- I inspected the Municipality's victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

Findings

There were no findings as a result of these procedures.

4. Status of Prior Findings

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- I inquired with management of the Municipality about the status of findings reported in the Accountant's Comments section of the Independent Accountant's Report on the Municipality resulting from an engagement for the period ended June 30, 2014, dated November 9, 2015 to confirm that the Municipality had taken adequate corrective action.

Findings

The Town has taken adequate corrective action except for the Adherence to Fine Guidelines, Court Records Retention and Supplemental Schedule findings. It is to be noted that the items in the Adherence to Fine Guidelines are less in number and less in severity when compared to prior findings.

5. (Over)/under Reported Amounts

- I recalculated the amounts for the April 2016 STRRF. It should be noted here that I was unable to obtain enough evidence to confirm completeness of the manual system deposits included in STRRF calculations. Also, I was unable to obtain the ticket copy containing the offense code for the receipts I was unable to trace to a STRRF submission. Without this code, I cannot recalculate the STRRF amounts for those receipts. The combined receipts total for the unsubmitted, underreported amounts I was aware of was \$400 and, as a result of not having the code, are not included in the calculations below.

STRRF LINE	DESCRIPTION	AMOUNT
L.	Municipal – 107.5%	<u>(4.61)</u>
M.	TOTAL REVENUE DUE FROM STATE TREASURER	<u>(4.61)</u>
N.	Assessments - Municipal	<u>(0.57)</u>
P.	TOTAL RETAINED FROM VICTIM SERVICES	<u>(0.57)</u>

- This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public

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Accountants. I was not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes, and behaviors related to court fines and fees of the Town of Calhoun Falls.

Accordingly, I do not express an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairman of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Calhoun Falls Municipal Council, Calhoun Falls Municipal Clerk of Court, Calhoun Falls Municipal Treasurer, State Treasurer, State Office of Victim Assistance, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Steven L. Blake, CPA